

**STATEMENT OF
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HEARING BEFORE THE
HOUSE COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENVIRONMENT AND HAZARDOUS MATERIALS
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Good morning, Mr. Chairman and distinguished Members of the Subcommittee. I am Cornel Holder, Administrator of the Defense National Stockpile Center (DNSC), a field activity of the Defense Logistics Agency (DLA). DLA is the Department of Defense's only Logistics Combat Support Agency. DNSC is responsible for providing safe, secure and environmentally sound stewardship for the strategic and critical materials that make up the National Defense Stockpile. I appreciate the opportunity to appear today to describe DNSC's management of the National Defense Stockpile and to specifically discuss the management of the elemental mercury stored in the National Defense Stockpile inventory.

The purpose of the National Defense Stockpile is to ensure that the United States has a sufficient supply of strategic and critical materials to supply military, industrial, and

essential civilian needs for national defense. The National Defense Stockpile was created shortly after World War II to acquire and store critical ores and materials to lessen United States dependence on foreign sources of supply in times of war or national emergency. Between 1949 and 1988, the General Services Administration and the Federal Emergency Management Agency were responsible for the program. In 1988, Executive Order 12626 transferred the responsibility for the National Defense Stockpile to the Department of Defense who subsequently assigned the management of the program to the Defense Logistics Agency. DNSC was established within DLA to manage the strategic and critical materials held in the National Defense Stockpile. Since 1994, over 99 percent of the NDS has been determined to be excess to department needs, and Congress has authorized its disposal. The activities of DNSC are governed by the Strategic and Critical Materials Stock Piling Act, 50 U.S.C. §§ 98 et seq.

Elemental mercury has been in the National Defense Stockpile inventory since the 1940s. The United States government purchased the mercury inventory from a number of countries including Spain, India, China, and Italy. Congress had authorized the sale of a small portion of the mercury inventory in 1981, and DNSC sold mercury to foreign and domestic buyers into the early 1990s. In 1994, DNSC suspended the sale of mercury in response to congressional concerns regarding the potential environmental impact of selling mercury and the request that the Department evaluate alternative mercury disposal options or long-term storage. The Environmental Protection Agency supported our decision to suspend mercury sales and to develop environmentally sound management options for mercury.

Currently, DNSC has 4,436 metric tons of mercury stored at depots located in Somerville, New Jersey; New Haven, Indiana; and Warren, Ohio. The DNSC inventory of mercury is stored in 76 pound flasks. The mercury in the National Defense Stockpile has been safely stored for over 50 years and DNSC is fully committed to the safe, secure and environmentally sound management and storage of mercury. In 2001, to provide additional levels of protection, DNSC overpacked the mercury flasks into 30 gallon drums. There are six flasks per drum, with the flasks sealed in plastic bags with cardboard inserts to keep the flasks apart, and a mercury-absorbent cushion in the bottom of the drum. Each drum has a one inch rubber gasket in the drum ring that, when tightened, provides a water and air-tight seal. The drums are on pallets (5 drums to a pallet) with drip pans underneath the drums for additional protection. Additionally, the warehouse floors where the mercury is stored have been sealed, and entry into each mercury storage access is controlled. Mercury vapor sampling is conducted during routine inspections and every three years private auditing companies conduct an environmental review of all DNSC storage locations.

Reductions in the number and quantity of National Defense Stockpile inventory have led to a corresponding reduction in the DNSC infrastructure. DNSC has reduced its number of operating depots, closed out storage sites, and reduced its workforce. This reduction in footprint necessitated the development of a long-term strategy for the continued management of the mercury inventory. This required the preparation of an Environmental Impact Statement (EIS) pursuant to the National Environmental Policy

Act (NEPA). DNSC analyzed three alternatives in its Environmental Impact Statement: 1) leaving the mercury at the existing storage locations; 2) consolidating mercury storage at one location; and 3) selling the mercury inventory. The EIS, completed in April 2004, indicated all three alternatives would have negligible to minor environmental impacts, and that the human health and ecological risks from all three would be negligible. In the Record of Decision for the Environmental Impact Statement, DNSC made the decision that long-term consolidated storage at one location was the preferable alternative. This decision was based on a combination of environmental and economic factors, policy considerations, and stakeholder comments. Consolidated storage also facilitates DNSC's long-term closure strategy at the sites from which the mercury is removed.

Site selection for the consolidated storage of the mercury then needed to be determined. Hawthorne Army Depot (HWAD) in Hawthorne, Nevada, was considered as a consolidated storage location in the EIS. HWAD is a government-owned, contractor-operated facility whose main mission is the maintenance and storage of conventional ammunition. HWAD includes sufficient warehouse space for the storage of the DNSC mercury inventory, and the EIS concluded that storage there would have minimal environmental impacts with negligible ecological and human health risks. DNSC signed a Memorandum of Agreement with the Army Joint Munitions Command on May 31, 2006, wherein HWAD will provide storage facilities and related support to maintain the DNSC mercury inventory on a reimbursable basis on behalf of DNSC. DNSC is currently working with HWAD and the Nevada Department of Conservation and Natural Resources to facilitate the transfer of mercury to Hawthorne and ensure the facilities are

upgraded and safety protocols are in place for the continued safe and secure long-term storage of mercury. The projected transportation costs to move mercury to HWAD is \$1.4 million and the estimated annual storage cost at HWAD is \$505 thousand. If the Department were authorized to sell its existing stockpile of mercury the estimated sales receipts would be \$83.6 million.

DNSC's decision to consolidate and store mercury allows us to continue to manage the National Defense Stockpile mercury inventory in an environmentally responsible, safe, and secure manner. This decision is consistent with the H.R. 1534, "Mercury Export Ban Act of 2007", prohibition on sale, distribution, or transfer of mercury by Federal Agencies. I thank you for the opportunity to testify before the Subcommittee on this important issue.